

**FIFTH AMENDMENT TO
WATER AND SANITARY SEWER SERVICE AGREEMENT**

between the

CITY OF GRAND RAPIDS

(the “City”)

and

**ADA TOWNSHIP,
CALEDONIA CHARTER TOWNSHIP, and
CITY OF EAST GRAND RAPIDS
(individually a “Customer Community” and
collectively the “Customer Communities”)**

**FIFTH AMENDMENT TO WATER AND
SANITARY SEWER SERVICE AGREEMENT**

THIS FIFTH AMENDMENT TO WATER AND SANITARY SEWER SERVICE AGREEMENT made and executed as of January 1, 2018 (hereinafter referred to as the “Fifth Amendment”), by and between the **CITY OF GRAND RAPIDS**, Kent County, Michigan, a Michigan municipal corporation (hereinafter referred to as the “City”), and **ADA TOWNSHIP**, Kent County, Michigan, a Michigan general law township (hereinafter referred to as “Ada”), **CALEDONIA CHARTER TOWNSHIP**, Kent County, Michigan, a Michigan charter township (hereinafter referred to as “Caledonia”), and the **CITY OF EAST GRAND RAPIDS**, Kent County, Michigan, a Michigan municipal corporation (hereinafter referred to as “East Grand Rapids” and together with Ada and Caledonia collectively the “Customer Communities” and individually a “Customer Community”).

RECITALS

A. The City and Ada and East Grand Rapids have entered into a Water and Sanitary Sewer Service Agreement dated as of January 1, 1999, amended by a First Amendment to Water and Sanitary Sewer Service Agreement dated as of March 28, 2000, a Second Amendment to Water and Sanitary Sewer Service Agreement dated as of July 1, 2002, a Third Amendment to Water and Sanitary Sewer Service Agreement dated as of December 1, 2006, and a Fourth Amendment to Water and Sanitary Sewer Service Agreement dated as of August 1, 2010 (hereinafter referred to collectively as the “Agreement”), for the provision of public water and/or sanitary sewer service to Users within certain designated service areas in the Customer Communities on a wholesale basis.

B. In accordance with a Second Amended and Restated Addendum I to Water and Sanitary Sewer Service Agreement – Wholesale dated as of _____, 2015 (hereinafter referred to as “Second Amended and Restated Addendum I”, between the City and Caledonia related to the provision of public sanitary sewer service, Caledonia became a party to the Agreement subject to the provisions of the Second Amended and Restated Addendum I.

C. The City and the Customer Communities have determined to (i) amend Section 6.B. of the Agreement to provide for a new calculation of integrated connection fees and to provide for a fire protection integrated connection fee, (ii) amend Section 6.C. of the Agreement to provide that surcharges need not be uniform, (iii) amend Section 19 of the Agreement to clarify the process of amending a Customer Community’s Utility Services District, (iv) amend Section 20 of the Agreement to clarify the process of amending a Customer Community’s Urban Utility Boundary, (v) amend Section 21 of the Agreement to clarify the process of the Utility Advisor Board establishing rules and regulations, and (vi) approve maps identifying the current Urban Utility Boundary and Utility Services District for the Customer Communities.

NOW, THEREFORE, in consideration of the respective representation and agreement contained herein, the parties hereto agree as follows:

Section 1. Amendment to Section 6.B. of the Agreement. The first paragraph of Section 6.B. of the Agreement is amended to read as follows:

Persons in the Utility Services District in each of the Customer Communities who receive a permit to connect to the Water System and/or Sewer System before April 1, 2018, shall pay integrated connection fees in accordance with Exhibit C attached hereto and incorporated herein and those receiving permits on and after April 1, 2018, shall pay integrated connection fees in accordance with Exhibit C1 attached hereto and incorporated into the Agreement.

Section 2. Amendment to Section 6.C. of the Agreement. The first paragraph of Section 6.C. of the Agreement is amended to read as follows:

Industrial and commercial Users in the Utility Services District in each of the Customer Communities discharging into the Sewer System shall be charged a penalty surcharge of certain discharges that exceed certain limits. The penalty surcharges shall be as established and adjusted by the City from time to time. The penalty surcharges need not be the same for all applicable industrial and commercial Users of the Sewer System. The City may adjust or determine not to impose penalty surcharges on certain industrial or commercial Users upon determining that a User's method and/or manner of introducing such discharges into the Sewer System and the processing thereof by the Sewer System directly or indirectly reduces operating costs at the Sewer System's Water Resource Recovery Facility and/or maximizes the economic use of the Facility's capacity.

Section 3. Amendment to Section 19 of the Agreement. The second and third paragraph of Section 19 of the Agreement is amended to read as follows:

The City and each of the Customer Communities agree that public water and/or sanitary sewer services shall not be extended outside the boundaries of the applicable Utility Services District in such Customer Community during the term of this Agreement, *provided, however,* such boundaries shall be extended at the request of the Customer Community if (a) at least sixty-five percent (65%) of property within such District has been developed, (b) the Customer Community has adopted a zoning and planning master plan for the property it desires to add to the Utility Services District, (c) the Customer Community has adopted a utility master plan for the property it desires to add to the Utility Services District, (d) at the time of adjustment of the boundaries of the Utility Services District, the property within the new expanded Utility Services District shall not be less than forty-five percent (45%) developed and (e) the Customer Community has met all the requirements of its utility master plan related to all prior expansions of the Utility Services District, *provided, further,* that such boundaries of the Utility Services District shall not exceed beyond the limits of the Urban Utility Boundary except as otherwise provided in this Agreement. A Customer Community desiring to expand the boundaries of its Utility Services District shall submit a request to the Utility Advisory Board along with a

drawing identifying the proposed expansion area. The Utility Advisory Board shall review the request to determine whether all the requirements in the second sentence above have been met. If met, the Utility Advisory Board shall approve the request. Upon approval, the City shall prepare a revised Exhibit A1 or A2 map and revised Exhibit B map identifying the new boundaries of the Customer Community's Utility Services District. The revised Exhibit B map shall be signed and dated by an affected Customer Community representative and shall replace the Customer Community's Utility Services District Exhibit B map in the Agreement. The revised Exhibit A1 or A2 map shall replace the Exhibit A1 or A2 map currently in the Agreement. The City shall distribute the revised Exhibit A1 or A2 and revised Exhibit B maps to the Customer Communities. When determining whether sixty-five percent (65%) of the property within an existing Utility Services District has been developed, there shall be excluded from the calculation public right-of-way, land dedicated to public use as open space and land used for agricultural purposes. The property which shall be excluded from such calculation shall include, but not be limited to, those exclusions identified in the attached Exhibit F.

A Customer Community desiring to add property to the Utility Services District may do so without meeting the sixty-five percent (65%) developed requirement by removing from the Utility Services District a quantity of land equal to that to be added to the Utility Services District provided the added land is contiguous to the boundary of the existing Urban Services District. The Customer Community shall submit an adjustment request along with a drawing identifying the proposed adjustment to the Utility Advisory Board and the Board shall review the request to determine if it meets the requirement of the preceding sentence. If met, the Utility Advisory Board shall approve the request. Upon approval the City shall prepare a revised Exhibit A1 or A2 map and revised Exhibit B map identifying the new boundaries of the Customer Community's Utility Service District. The revised Exhibit B map shall be signed and dated by an affected Customer Community representative and shall replace the Customer Community's Utility Services District map in the Agreement. The revised Exhibit A1 or A2 map shall replace the Exhibit A1 or A2 map currently in the Agreement. The City shall distribute the revised Exhibit A1 or A2 and revised Exhibit B maps to the Customer Communities.

Section 4. Amendment to Section 20 of the Agreement. The second and third

paragraph of Section 20 of the Agreement is amended to read as follows:

A Customer Community desiring to extend the boundaries of its Urban Utility Boundary shall submit a request to the Utility Advisory Board along with a drawing identifying the proposed extension area. The Utility Advisory Board shall review the request to determine if (a) the boundaries of the Utility Services District in the Customer Community have been extended to the limits of the current Urban Utility Boundary, (b) sixty-five percent (65%) of property within the Urban Utility Boundary in the Customer Community has been developed (taking into account the same exclusions as those set forth in Section 19 hereof for determining development of the Utility Services District) and (c) the Customer Community has adopted a zoning and planning master plan for the property it wishes to include within the Urban Utility Boundary. If the requirements in the preceding sentence are met, the Utility Advisory Board shall recommend approval of the request to the legislative bodies of the City and Customer Community. If both legislative bodies approve the request, the City shall prepare a revised Exhibit A1 or A2 map and revised Exhibit B map identifying the new limits of the Urban Utility Boundary. The revised Exhibit B map shall be signed and dated by an affected Customer Community representative and a City representative and shall replace the Customer Community's Exhibit B map currently in the Agreement. The revised Exhibit A1 or A2 map shall replace the Exhibit A1 or A2 map currently in the Agreement. The City shall distribute the revised Exhibit A1 or A2 and revised Exhibit B maps to the Customer Communities.

A Customer Community desiring to add property to its Urban Utility Boundary may do so without meeting the sixty-five percent (65%) developed requirement by removing from the Urban Utility Boundary a quantity of land equal to that to be added to the Urban Utility Boundary provided such land is contiguous to the boundary of the existing Urban Utility Boundary. The Customer Community shall submit its request to the Utility Advisory Board along with a drawing identifying the property proposed to be removed and the property proposed to be added to its Urban Utility Boundary. The Utility Advisory Board shall review the request to determine if the requirement in the first sentence of this paragraph is met. If met, the Utility Advisory Board shall recommend approval of the request to the legislative bodies of the City and Customer Community. If both legislative bodies approve the

request, the City shall prepare a revised Exhibit A1 or A2 map and revised Exhibit B map identifying the new limits of the Urban Utility Boundary. The revised Exhibit B map shall be signed and dated by an affected Customer Community representative and a City representative and shall replace the Customer Community's Exhibit B map currently in the Agreement. The revised Exhibit A1 or A2 map shall replace the Exhibit A1 or A2 map currently in the Agreement. The City shall distribute the revised Exhibit A1 or A2 and revised Exhibit B maps to the Customer Communities.

Section 5. Amendment to Section 21 of the Agreement. The following is added as a new paragraph to Section 21 of the Agreement at the end of the Section:

The Utility Advisory Board may establish rules and regulations related to the provisions of this Agreement provided such rules and regulations do not conflict or are not inconsistent with the City's adopted rules and regulations related to the operation of the Sewer System and Water System.

Section 6. Exhibits. The attached Exhibits A1 and A2 replace the current Exhibits A attached to the Agreement. The attached Exhibits B1 through B5 replace the current Exhibits B1 through B4 attached to the Agreement. The attached Exhibit C1 is added to the Agreement.

Section 7. Definitions. All terms not specifically defined in this Fifth Amendment shall have those meanings as identified or defined in the Agreement.

Section 8. Counterparts. This Fifth Amendment may be executed in one or more counterparts.

Section 9. Ratification of Agreement. Except as amended by this Fifth Amendment the Agreement, as amended by all prior amendments, is in all other respects hereby ratified and confirmed.

Section 10. Effective Date. This Fifth Amendment is effective as of the date set forth in the first paragraph hereof.

IN WITNESS WHEREOF, the City and the Customer Communities have caused these presents to be signed by their respective duly authorized officers as of the day and year first written above.

CITY OF GRAND RAPIDS

Rosalynn Bliss, Mayor

Attest: _____
Darlene O’Neal, City Clerk

ADA TOWNSHIP

George Haga, Supervisor

Jacqueline Smith, Township Clerk

CALEDONIA CHARTER TOWNSHIP

Bryan Harrison, Supervisor

Jennifer Venema, Township Clerk

CITY OF EAST GRAND RAPIDS

Anna Seibold, Mayor

Karen Brower, City Clerk

EXHIBIT A1

**Water Service Urban Utility Boundaries
and Utility Services Districts Master Map**

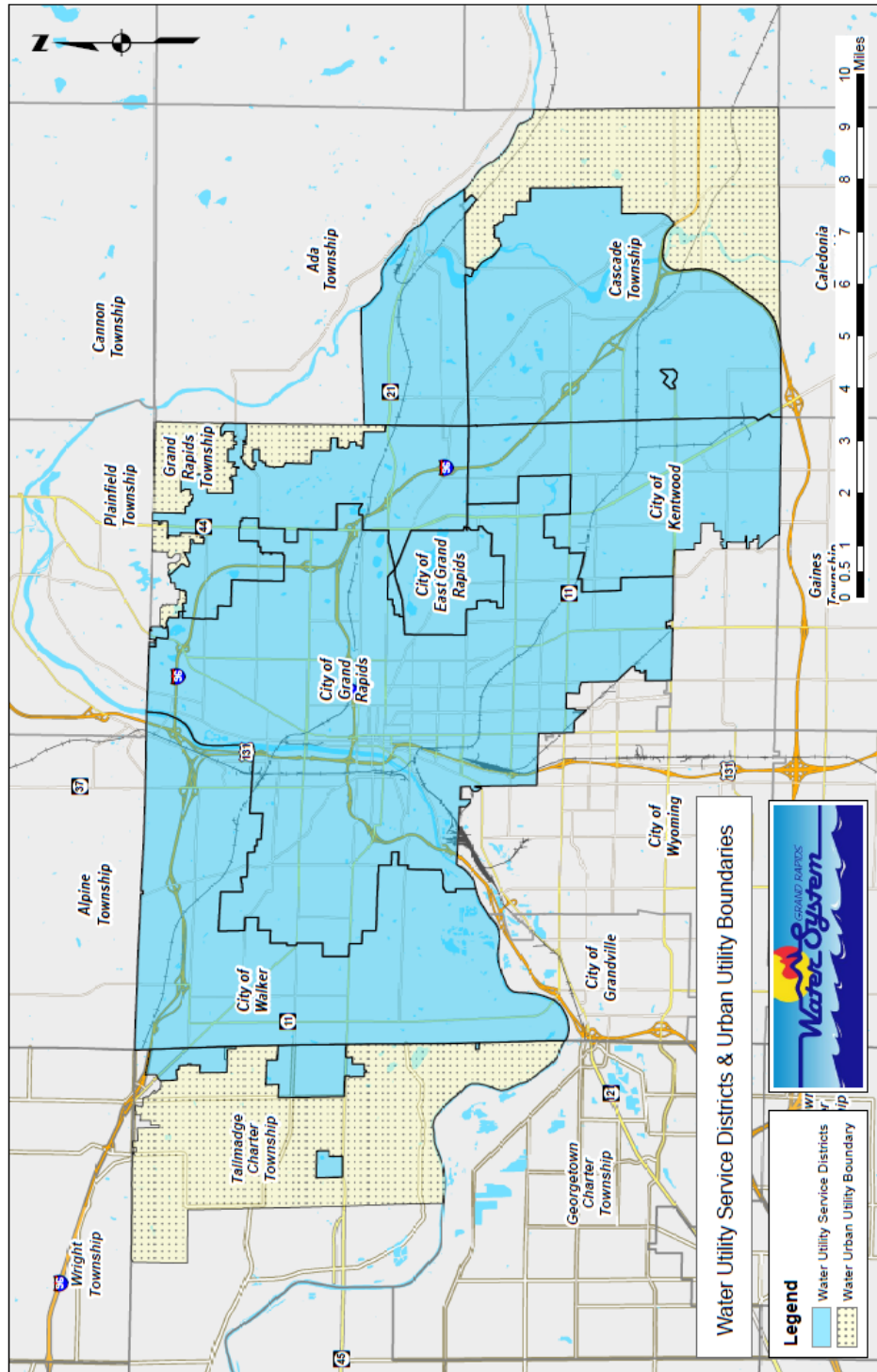


EXHIBIT A2

**Sanitary Sewer Service Urban Utility Boundaries
and Utility Services Districts Master Map**

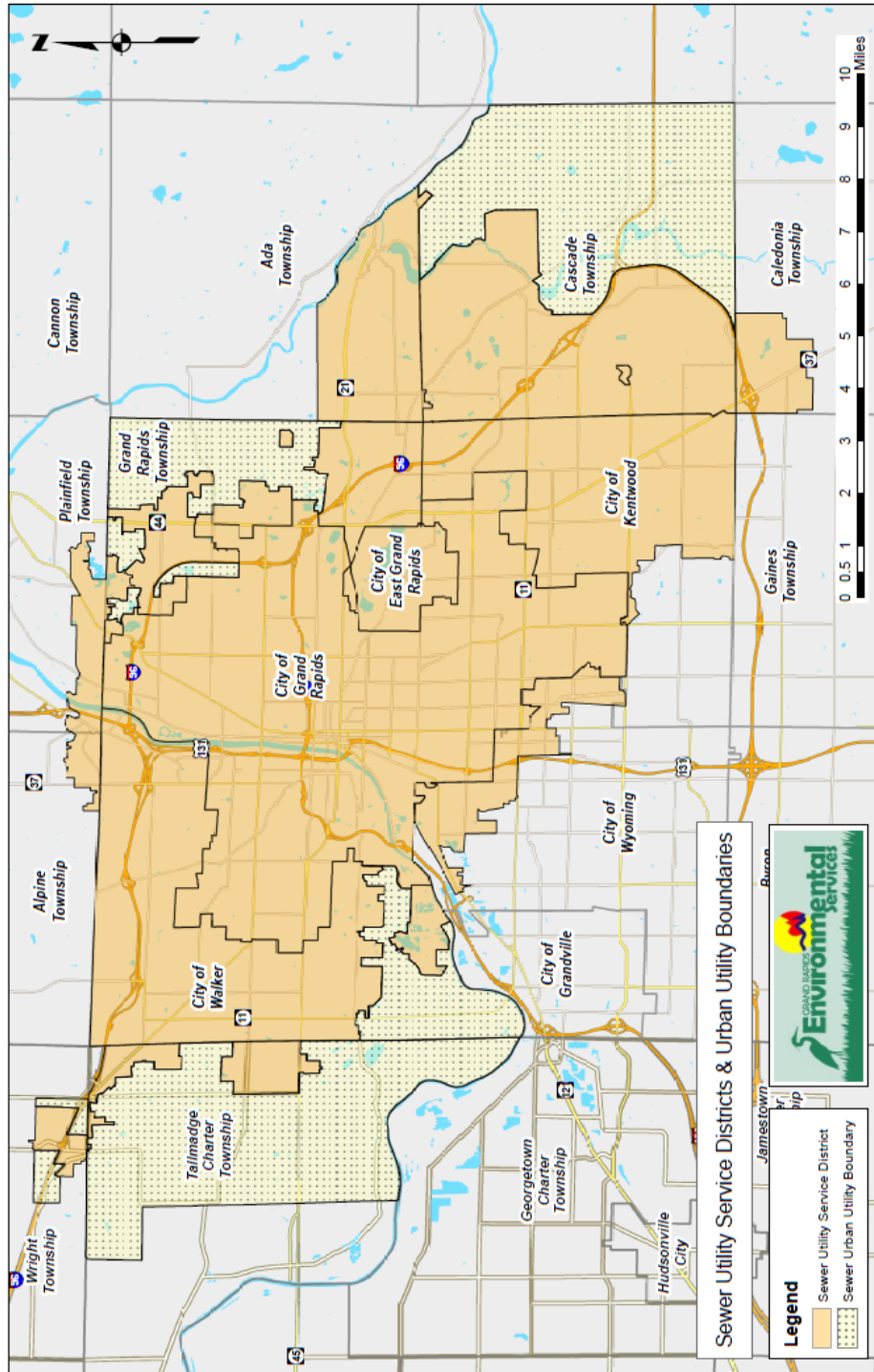


EXHIBIT B1

Ada Township Water Service Urban Utility Boundary and Utility Services District

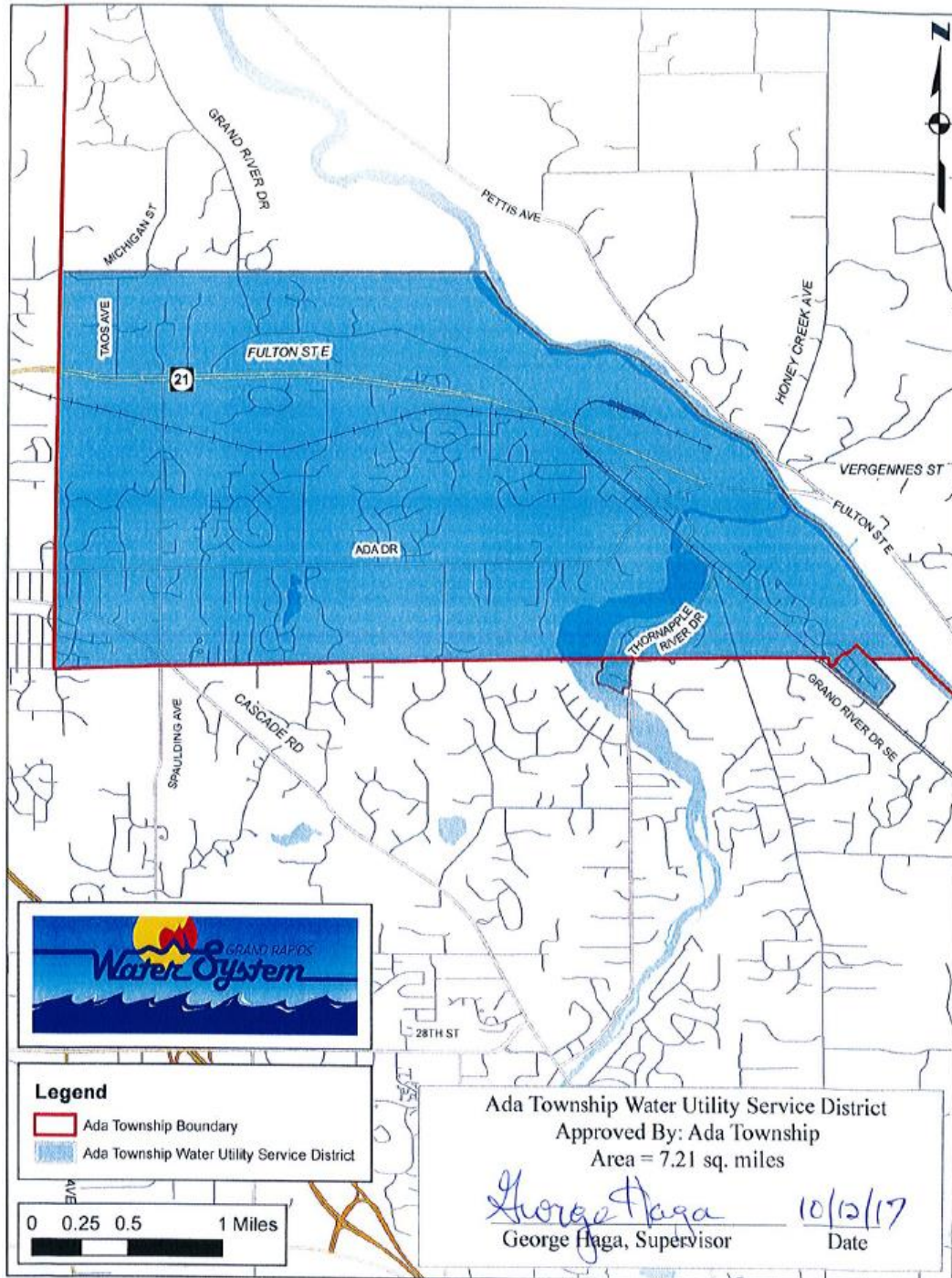


EXHIBIT B2

Ada Township Sanitary Sewer Service Urban Utility Boundary and Utility Services District

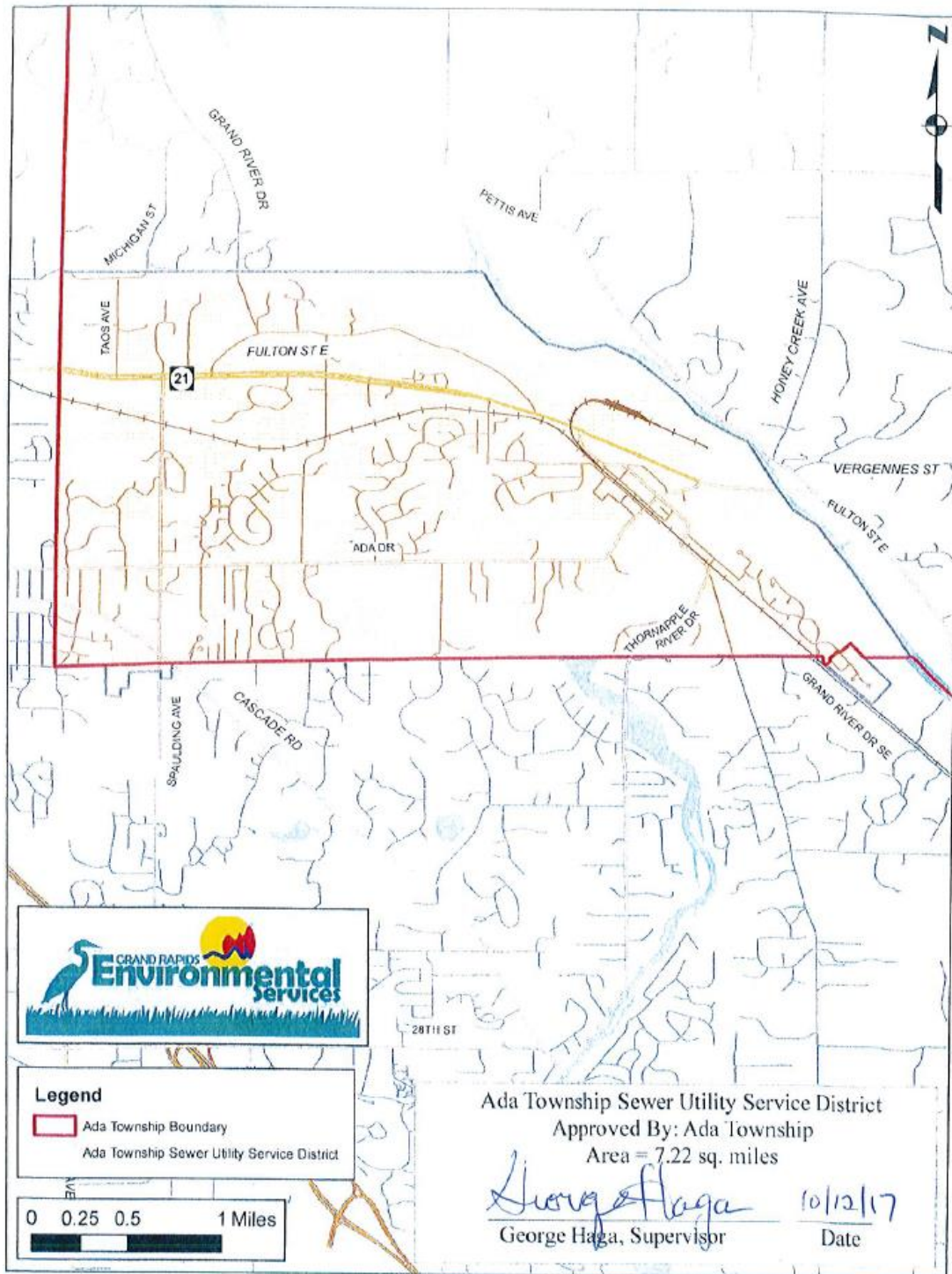


EXHIBIT B3

Caledonia Township Sanitary Sewer Service Urban Utility Boundary and Utility Services District



EXHIBIT B4

City of East Grand Rapids Water Service Urban Utility Boundary and Utility Services District

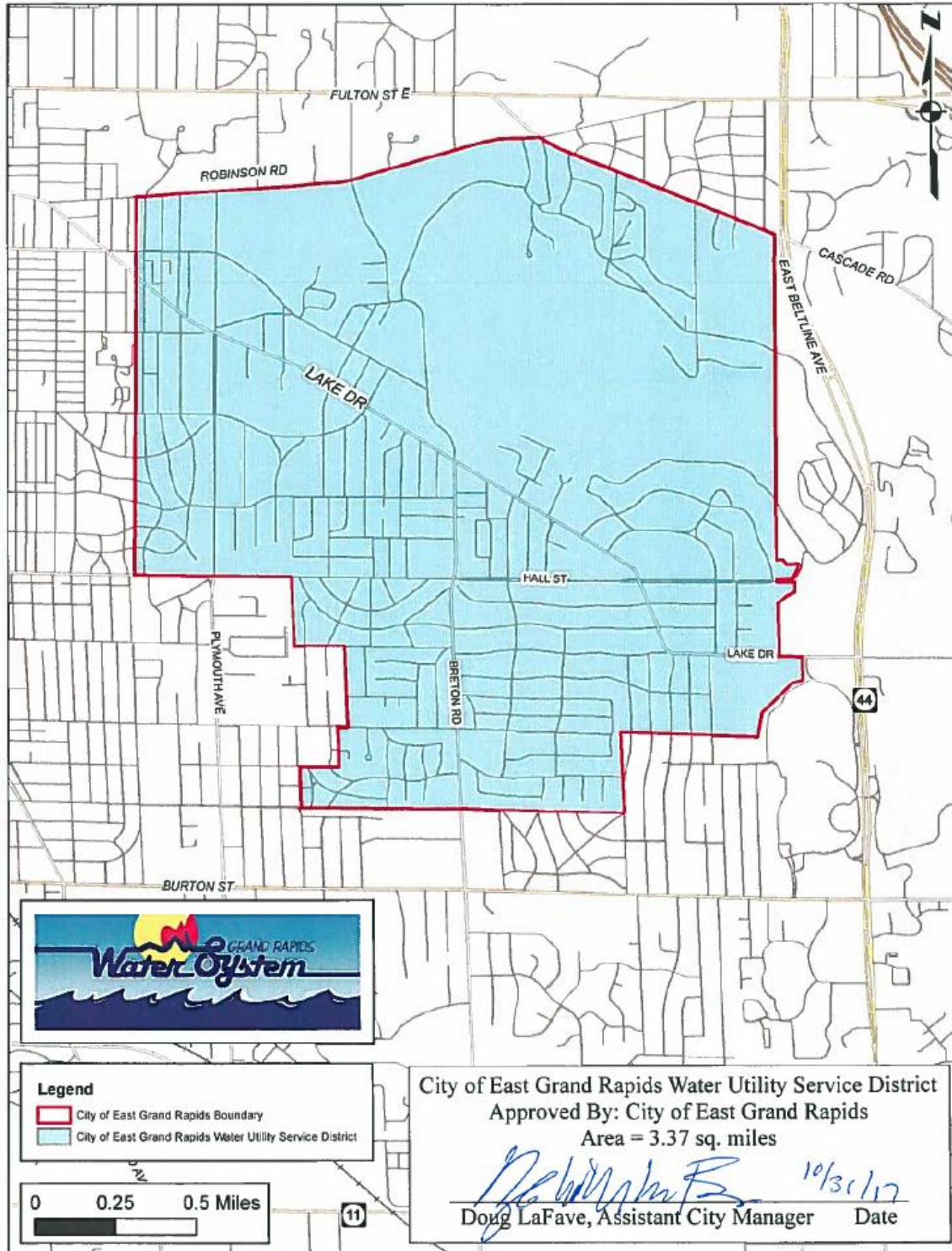


EXHIBIT B5

City of East Grand Rapids Sanitary Sewer Service Urban Utility Boundary and Utility Services District

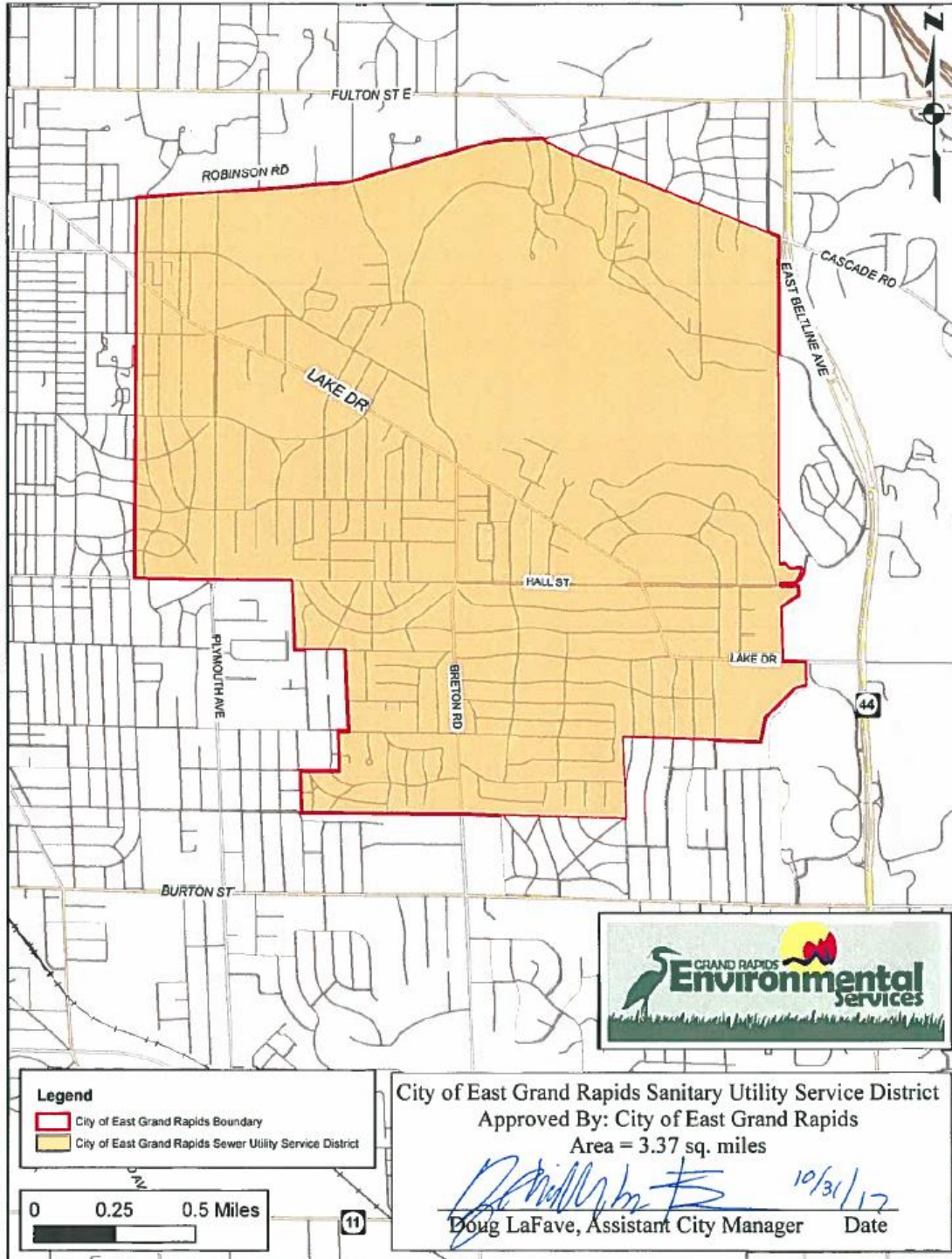


EXHIBIT C1

Integrated Connection Fees Effective April 1, 2018

Integrated connection fees for water and sanitary sewer service shall be determined annually as a part of the annual Rate Study beginning with the 2017 Rate Study and shall always be the same as those charged Users in Customer Communities served on a retail basis. The integrated connection fees established as a part of the 2017 Rate Study shall be effective April 1, 2018 through December 31, 2018. Thereafter, the integrated connection fees established as a part of the annual Rate Study shall be effective for the calendar year following approval of the Rate Study.

The initial integrated connection fees effective April 1, 2018, shall be as follows:

Residential Users (three residential units or less)

Base Fee Water Service	\$350.00
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Base Fee Sanitary Service	\$350.00
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Plus a Meter Capacity Fee of \$175.00 (when water and sanitary sewer service connections are made at the same time only one Meter Capacity Fee shall be charged).

All other Users (including residential of more than 3 units, commercial, industrial, governmental and religious)

Water Service

<u>Meter Size</u>	<u>Fee</u>
3/4"	\$670
1"	850
1 1/2"	1,120
2'	1,570
3"	1,910
4"	2,650
6"	3,850

Sanitary Sewer Service Meter Size

<u>Service Meter Size</u>	<u>Fee</u>
3/4"	\$670
1"	850
1 1/2"	1,120
2'	1,570
3"	1,910
4"	2,650
6"	3,850

Plus a Meter Capacity Fee based on the meter size (when water and sanitary sewer connections are made at the same time only one Meter Capacity Fee shall be changed) as follows:

<u>Meter Size</u>	<u>Fee</u>
3/4	\$175
1	250
1 1/2	800
2	900
3	1,100
4 or larger	at cost

Fire Protection Service Fee

\$680.00